




A Touchstone Energy Cooperative 

October 9, 2009

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
P. O. Box 615  
Frankfort, KY 40602

RECEIVED

OCT 12 2009

PUBLIC SERVICE  
COMMISSION

RE: Case No. 2009-00295

Dear Mr. Derouen:

Enclosed are the original and six copies of the notarized Affidavit of Mailing of the official notice of hearing of Fuel Adjustment Case No. 2009-00295 and a copy of the notice published.

Please contact the office if further information is required.

Sincerely,

A handwritten signature in cursive script that reads "Joni K. Hazelrigg".

Joni K. Hazelrigg  
CFO

Enclosures

Cc: Attorney General's Office

AFFIDAVIT OF MAILING  
OF HEARING NOTICE

Notice is hereby given that the October issue of  
*KENTUCKY LIVING*, bearing the official notice of hearing of PSC  
Case No. 2009-00295, concerning the application of the fuel adjustment clause  
from November 1, 2008, through April 30, 2009, for  
FLEMING-MASON ENERGY COOPERATIVE, was entered as direct mail at  
Danville, Kentucky, on September 29, 2009.



Anita Travis Richter  
Managing Editor  
*Kentucky Living*

County of Jefferson

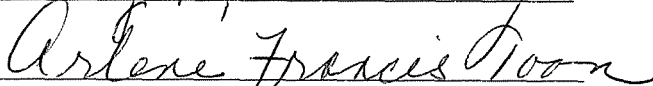
State of Kentucky

Sworn to and subscribed before me, a Notary Public,

this 6<sup>th</sup> day of October, 2009.

My commission expires

January 10, 2012



Notary Public, State of Kentucky

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## HEARING NOTICE

A public hearing will be held on Tuesday, October 13, 2009, at 10 a.m., Eastern Daylight Time, at the offices of the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky, to examine the application of the fuel adjustment clause of the following corporations for the period November 1, 2008, through April 30, 2009. Individuals interested in attending this hearing shall notify the Public Service Commission in writing of their intent to attend no later than October 9, 2009. If no notices of intent to attend are received by this date, this hearing will be cancelled. Written notice of intent to attend this hearing should be sent to: Executive Director, Kentucky Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

### **Big Sandy RECC**

Case No. 2009-00290

### **Blue Grass Energy Cooperative Corp.**

Case No. 2009-00291

### **Clark Energy Cooperative**

Case No. 2009-00292

### **Cumberland Valley Electric**

Case No. 2009-00293

### **Farmers RECC**

Case No. 2009-00294

### **Fleming-Mason Energy Cooperative**

Case No. 2009-00295

### **Grayson RECC**

Case No. 2009-00296

### **Inter-County Energy Cooperative**

Case No. 2009-00297

### **Jackson Energy Cooperative**

Case No. 2009-00298

### **Licking Valley RECC**

Case No. 2009-00299

### **Nolin RECC**

Case No. 2009-00300

### **Owen Electric Cooperative**

Case No. 2009-00301

### **Salt River Electric Cooperative**

Case No. 2009-00302

### **Shelby Energy Cooperative**

Case No. 2009-00303

### **South Kentucky RECC**

Case No. 2009-00304

### **Taylor County RECC**

Case No. 2009-00305

## ON THE GRID

# ENERGY 101

## Making sense of cap and trade

The leading proposals in Congress to control global warming propose a "cap-and-trade" system to reduce emissions of greenhouse gas. Here are answers to the frequently asked questions.

### ENERGY BASICS

#### What is cap and trade?

It's a plan to control greenhouse gas emissions, including carbon dioxide, from power plants, vehicles, refineries, and factories.

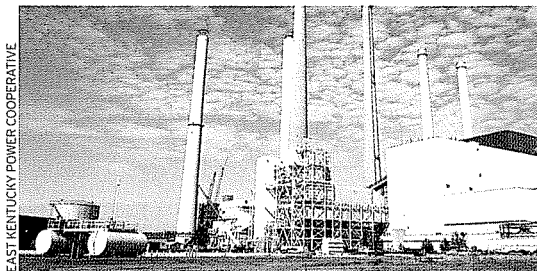
#### How would it work?

Emissions would be required to stay below a set limit—the cap. If an industry couldn't meet those caps through efficiency or renewable energy, it could buy emissions credits from an industry that emits less than the cap—the trade. For example, a coal power plant that exceeded the carbon dioxide cap could trade (buy) emissions credits from a hydroelectric or nuclear power plant that emits no carbon dioxide.

#### Will it reduce greenhouse gas?

A cap-and-trade system aimed at reducing acid rain was established as part of the federal Clean Air Act of 1990. It required producers of sulfur dioxide, such as coal-fired power plants, to cut emissions by investing in readily available technologies. This

system worked. However, sulfur dioxide is vastly different from carbon dioxide: no cost-effective means of cutting carbon emissions currently exist.



EAST KENTUCKY POWER COOPERATIVE

#### What are the pros and cons?

**PROS:** It gives industry a choice in how it meets global warming guidelines—either reduce emissions through (a) efficiency, renewable fuels, and new technology, or (b) through the buying of emissions credits from industries that produce very little emissions.

**CONS:** The caps might be impossible to meet, technology to reduce emissions might not be developed in time, and the uncertainties of how Wall Street might implement the cap-and-trade marketplace could end up being very expensive. States that depend heavily on coal, like Kentucky, say the current cap-and-trade limits would penalize people in those states with large and unfair increases in electricity and other costs.